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December 27, 2012 TRC Solutions Project No. 192355

Mr. Gary Moore U.S. EPA Region 6 1445 Ross Avenue, Suite 1200 Dallas, TX 75202-2733

Re: Daily Progress Report

Falcon Refinery Superfund Site

Ingleside, San Patricio County, Texas

TXD 086 278 058

Dear Mr. Moore:

On behalf of Lazarus Texas Refinery I, LLC, (Lazarus), TRC Solutions (TRC) submits this Daily Progress Report on the Removal Action Activities at the Falcon Refinery Federal Superfund Site to the United States Environmental Protection Agency for your review.

If you have any questions, comments, or concerns, please do not hesitate to contact me at (361) 522-1935.

Sincerely, TRC

Alonzo G. Arredondo Senior Geologist

Attachment: Daily Progress Report cc: Lazarus Texas Refinery I, LLC

DAILY PROGRESS REPORT - Falcon Refinery Federal Superfund Site, Ingleside, TX;

1. DAILY PROJECT ACTIVITIES COMPLETED ON DECEMBER 20, 2012

The following activities were conducted today.

• Removed excess tank bottom oil from covered boxes and transferred it into Tank 30 to prepare the boxes for safe transportation/disposal at U.S. Ecology.

2. WORKERS ON-SITE THIS PERIOD

Personnel	Period	Task / Subtask
LAZARUS		
Christian Suscaita, Site Worker	Dec. 20, 2012	Transfer oil from boxes to prepare for transportation and disposal.
Francisco Javier Trujillo, Site Worker	Dec. 20, 2012	Transfer oil from boxes to prepare for transportation and disposal.
Jose Luis Galvan, Site Worker	Dec. 20, 2012	Transfer oil from boxes to prepare for transportation and disposal.
TRC Environmental Corporation		
Alonzo G. Arredondo, Senior Geologist	Dec. 20, 2012	Inspection of site conditions.

3. STATUS OF TANK 16

At the completion of the power washing of Tank 16 by Superior Crude's contractor, Lazarus began sandblasting the floor to help evaluate the structural integrity of the floor. In the week of November 26 – 30, 2012 Lazarus worked to identify corrosion and holes in the floor of the Tank. Lazarus has patched small holes with fiberglass material and will also procure a contractor to evaluate the structural integrity of the floor in Tank 16 using Method API 653. At the completion of the inspection, the Tank Inspector will provide Lazarus with recommendations for the repair/modification to the floor that will allow Tank 16 to be placed into service.

Upon completion of the recommended repairs to the floor, Lazarus will use Tank 16 to store treated water that is currently being held in Tank 12. Lazarus will hold the treated water in Tank 16 until the floor of Tank 30 has been cleaned, inspected and repaired. Then water will be transferred from Tank 16 into Tank 30 for storage until it can be land applied for the propagation of native grasses.